

FIRST UNION RAIL

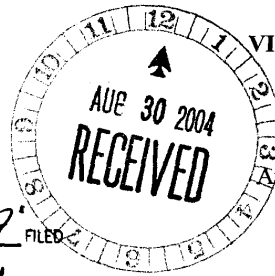
One O'Hare Centre
6250 River Road, Suite 5000
Rosemont, IL 60018

Tel 847.318.7575
Fax 847.318.7588

RECORDATION NO 25177-19 FILED

AUG 31 '04

4-20 PM



VIA UPS 2ND DAY AIR

August 26, 2004

SURFACE TRANSPORTATION BOARD

Mr. Vernon E. Williams
Surface Transportation Board
1925 K Street, N.W., Room 704
Washington, DC 20423-0001
Attn: Recordation of Railroad Equipment

Re: Memorandum of Lease Agreement

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are three (3) originals of a Memorandum of Lease Agreement, dated December 8, 2003, a secondary document as defined in the Board's Rules for the Recordation of Documents. The enclosed document relates to the Memorandum of Lease which was duly filed with the Commission on this date as Recordation Number _____.

The names and addresses of the parties to the enclosed document are:

Lessor: First Union Rail Corporation
One O'Hare Center
6250 River Road, Suite 5000
Rosemont, IL 60018

Lessee: Degussa Engineered Carbons
7702 FM 1960 East
Suite 100, Box 24
Humble, TX 77346

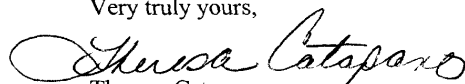
A description of the railroad equipment covered by the enclosed document is up to thirty-seven (37) 5750 cu. ft., 220 GRL, 100-ton covered hoppers, cars marked FURX (see Exhibit A for car numbers).

A short summary of the document to appear in the index follows: Memorandum of Lease

Also enclosed is a check in the amount of \$30.00 payable to the order of the Surface Transportation Board covering the required recordation fee. Kindly return one (1) stamped original of the enclosed document to the undersigned along with the additional copies.

If you have any questions or concerns regarding the above-referenced matter, please feel free to contact me at (847) 384-5375. Thank you for your cooperation in this matter.

Very truly yours,


Theresa Catapano
Manager of Documentation

Enclosures
(DEGU006)

ASSGN. NO.: DEGU006

MEMORANDUM OF LEASE

THIS MEMORANDUM OF LEASE (the "Memorandum") is made and entered into as of this 8th day of December, 2003, by and between First Union Rail Corporation ("Lessor"), a North Carolina corporation, and Degussa Engineered Carbons, LP ("Lessee"), a Delaware Limited Partnership.

WITNESSETH:

The undersigned Lessor and Lessee have entered into that certain Lease Agreement (the "Lease"), dated as of December 8, 2003, whereby Lessor has agreed to lease to Lessee certain railcars pursuant to Rider No. 2 to the Lease (the "Rider"), as described in more particular on Exhibit A attached hereto, effective as of May 14, 2004, and subject to the terms, conditions and provisions of the above-mentioned Lease and Rider.

IN WITNESS WHEREOF, the parties hereto have each caused this Memorandum to be duly executed under seal by their respective officers duly authorized as of the date and year first above written.

LESSOR:

FIRST UNION RAIL CORPORATION

ATTEST:

By: Richard F. Seymour

Name: RICHARD F. SEYMOUR
Vice President Sales & Marketing

Title: _____

By: K.A. Dombrowski

Name: K.A. DOMBROWSKI

Title: DIRECTOR OF DOCUMENTATION Executed on this 8th day of December, 2003.

[CORPORATE SEAL]

STATE OF ILLINOIS

COUNTY OF COOK

RECORDATION NO. 25177-A FILED

AUG 31 '04

4-20 PM

SURFACE TRANSPORTATION BOARD

I, SUSAN GROKULSKY, a Notary Public of the County and State aforesaid, certify that RICHARD F. SEYMOUR personally appeared before me this day and acknowledged his/her due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 8th day of December, 2003.

Susan Grokulskey
Notary Public

Commission Expires:

8-14-2004
(Notary Public)



LESSEE:

DEGUSSA ENGINEERED CARBONS, LP

ATTEST:

By:

Linda Nadolski

Name:

LINDA NADOLSKI

Title:

Logistics Manager

By: _____

Name: _____

Title: _____

Executed on this _____ day of _____, _____.

[CORPORATE SEAL]

STATE OF Texas

COUNTY OF Harris

I, Julia Martin, a Notary Public of the County and State aforesaid, certify that Linda Nadolski personally appeared before me this day and acknowledged his/her due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 4 day of December 2003

Julia Martin
Notary Public

Commission Expires:

3/27/05
(Notary Public)

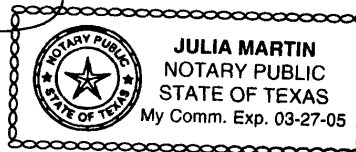


EXHIBIT A
to
MEMORANDUM OF LEASE

NUMBER OF CARS: Thirty-seven (37)

DESCRIPTION OF CARS: 5750 cu. ft., 220 GRL, 100-ton covered hoppers

CAR NUMBERS:

FURX 6018	FURX 6040
FURX 6019	FURX 6041
FURX 6021	FURX 6042
FURX 6022	FURX 6043
FURX 6024	FURX 6044
FURX 6025	FURX 6045
FURX 6026	FURX 6046
FURX 6027	FURX 6047
FURX 6028	FURX 6048
FURX 6029	FURX 6049
FURX 6030	FURX 6050
FURX 6031	FURX 6051
FURX 6032	FURX 6052
FURX 6033	FURX 6053
FURX 6034	FURX 6054
FURX 6035	FURX 6055
FURX 6036	FURX 6056
FURX 6038	FURX 6057
FURX 6039	Count: 37